

January 18, 2002

Jon Davidson
Arkansas Register
State Capitol, Room 026
Little Rock, AR 72201

Dear Mr. Davidson:

The enclosed Assisted Living Methodology is the interim rule for applying for a Permit of Approval from the Health Services Permit Agency to construct new facilities or convert Residential Care Facilities.

Please let me know if you need anything further.

Sincerely,

Mary Brizzi
Planning Specialist

ARKANSAS HEALTH SERVICES COMMISSION

FINANCIAL IMPACT STATEMENT
(In compliance with Act 884 of 1995)

PERSON COMPLETING THIS STATEMENT: Mary Brizzi
Telephone Number: 501/661-2501 Fax Number: 501/661-2399

SHORT TITLE OF THIS RULE: New Assisted Living Methodology

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes x No
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost of implementing the regulation.

Does not Apply

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule regulation.

Current Fiscal Year

Next Fiscal Year

\$1,000.00 per application

\$1,000.00 per application

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

Current Fiscal Year

Next Fiscal Year

\$300.00

None

HSC REGULATION 500M. Assisted Living Methodology

SECTION I.

DEFINITIONS

1. **ASSISTED LIVING FACILITY** – any building or buildings, section or distinct part of a building, boarding home, home for the aged, or other residential facility, whether operated for profit or not, which undertakes through its ownership or management to provide assisted living services for a period exceeding twenty-four (24) hours to more than three (3) adult residents of the facility who are not relatives of the owner or administrator.
2. **CONVERT** - Changing existing space in a Nursing Home to Assisted Living. The total number of licensed beds remains the same. This could involve remodeling of existing space, or construction of new space.
3. **NEW ASSISTED LIVING FACILITIES** – New construction of a building to house an Assisted Living Facility or renovation of a structure that was not being operated as a Nursing Home or Residential Care Facility.

SECTION II.

REVIEW PROCESS

A. NUMBER OF FACILITIES

Permits of Approval will be awarded to a maximum of twenty-four (24) facilities across the state. These twenty-four (24) facilities shall be divided as follows:

1. A maximum of twelve for Nursing Homes wishing to convert licensed beds to Assisted Living Beds. There will be no more than one (1) conversion per county;
2. A maximum of twelve (12) for New Assisted Living Facilities. There will be no more than one (1) new facility per county.

B. UNFAVORABLE REVIEW

1. QUALITY OF CARE

Existing facilities will have an unfavorable review if the following quality of care standards are not met:

- a. No Nursing Home will be awarded a permit of approval if the existing facility has had an H level or higher deficiency according to the Office of Long Term Care in any inspection within the last 12 months preceding the date the application is placed

under review or from the date the application is placed under review until the final decision of the Health Services Commission.

- b. No Residential Care Facility will be awarded a permit of approval if the existing facility has had more than two (2) Class A or Class B violations pursuant to ACA § 20-10-205 in any inspection within the last 12 months preceding the date the application is placed under review or from the date the application is placed under review until the final decision of the Health Services Commission.

C. SIZE

1. The minimum size for new construction (a non-conversion facility) will be 40 beds.
The maximum size for new construction (non-conversion) will be 80 beds.
2. The minimum size for a conversion facility will be 10 beds.
The maximum size for a conversion facility will be 80 beds.

SECTION III.

REVIEW CRITERIA

- A. The Agency and the Commission will utilize the following criteria in the review process.
 1. Whether the proposed project is needed or projected as necessary to meet the needs of the population. Criteria includes:
 - a. Review of a market feasibility study.
 - b. Size of the proposed facility in relation to the total population over age 64 in the county
 - c. Proximity to other Assisted Living Facilities.
 - d. Geographic distribution of Assisted Living Permits of Approval;
 - e. The current countywide occupancy rate of existing Residential Care Facilities.
 2. Whether the project can be adequately staffed and operated when completed.
Criteria includes:
 - a. a study of current staffing at other facilities in the service area
 - b. projected sources of staffing.
 3. Whether the proposed project is economically feasible.

4. Whether the project will foster cost containment through improved efficiency and productivity.

B. Priority will be given to an applicant who:

1. Offers documentation to prove that existing facilities are not meeting the needs of the service area population.
2. Is able to demonstrate a commitment to serve the low-income population.

SECTION IV.

EFFECTIVE DATE

The effective date of this methodology shall be February 1, 2002. No new applications shall be accepted pursuant to this methodology after November 1, 2002.